C12 Energy

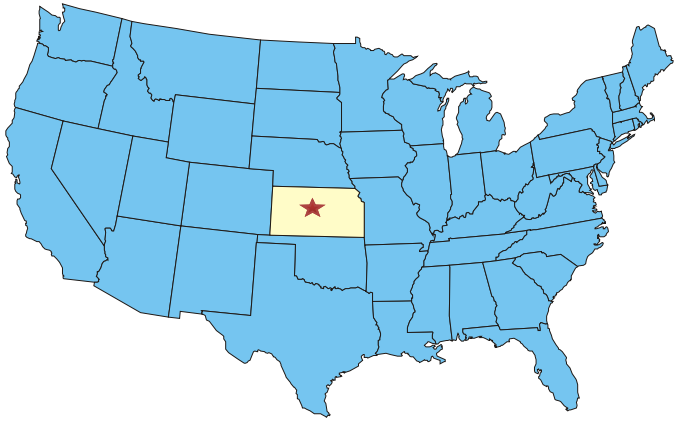
- C12 Energy seeks to sell 100% of its interests in the Hall Gurney Field in Russell County, Kansas

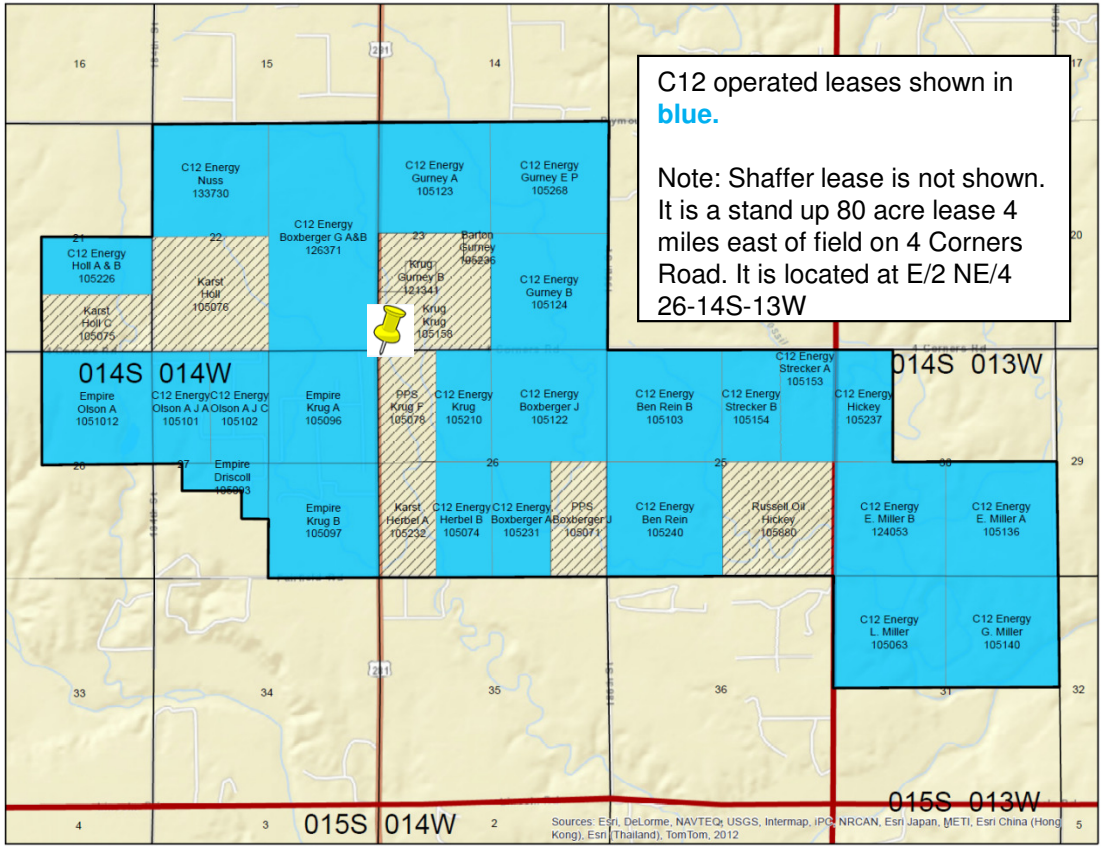
- Positive cash flow generating asset with 11 MMSTB CO_2 project potential

Overview of C12 Kansas Assets

- 100+ BOPD production capability (8/8ths)
- 26 leases in large Hall Gurney Field ; Acreage held by production
- Recovery to date: ~24.5 MMSTB; 44% of OOIP
- Stacked Pay
  - Lansing Kansas City, Tarkio, Gorham, Topeka, Toronto
- ~84% NRI and ~100% WI
- 128 wells:
  - 40 Producing
  - 32 Injection
  - 56 Shut-in for low oil prices (100% have been online in past year)
  - 0 Shut-in for mechanical integrity (low P&A liability)
- Identified improvement opportunities
  - Lower lease operating expense
  - Artificial lift optimization
  - Recomplete to horizons that have not been completed
  - Water flood optimization
  - CO2 EOR development

Field Location

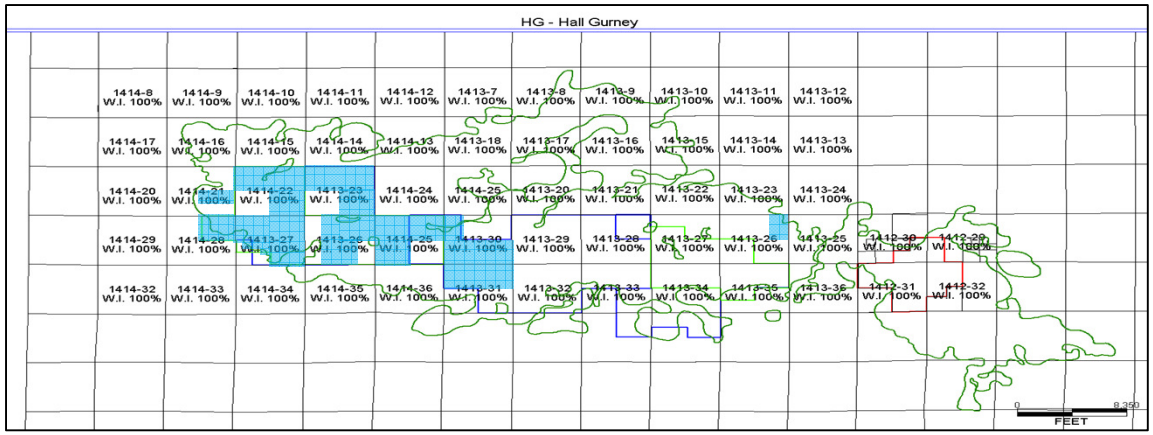




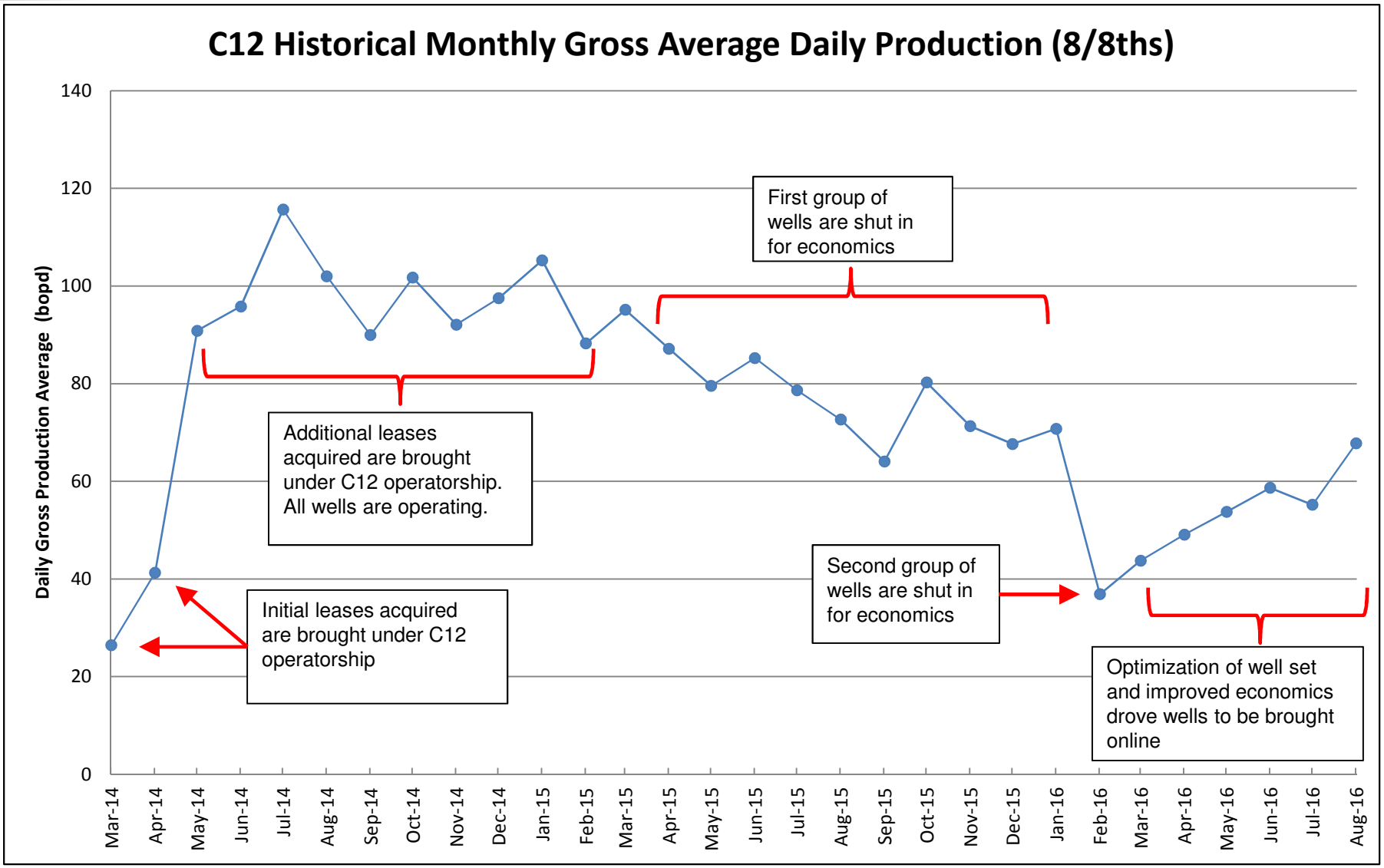
Hall Gurney Field Overview

- Discovered 1931
- Initial primary production from solution gas drive
- Waterflood began in 1950's
- 48,880 acres (total field)
- Recovery to date ~ 163 mmboe (49% of OOIP)
- OOIP of 335 million bbls (total field)
- 7000+ wells have been drilled into the Hall Gurney
- Produces principally from Lower Kansas City “C” & “G” Zones
  - Oomoldic limestone at 3,000 ft depth
  - LKC C Zone - ~10±5ft thick, Φavg = 10%±12% range 4%-30%, K=0.001-600 mD, Swi =0.11-1
  - LKC G Zone - ~25±10 ft thick, Φavg = 12%±12%, K=0.001-600 mD, Swi =0.11-1

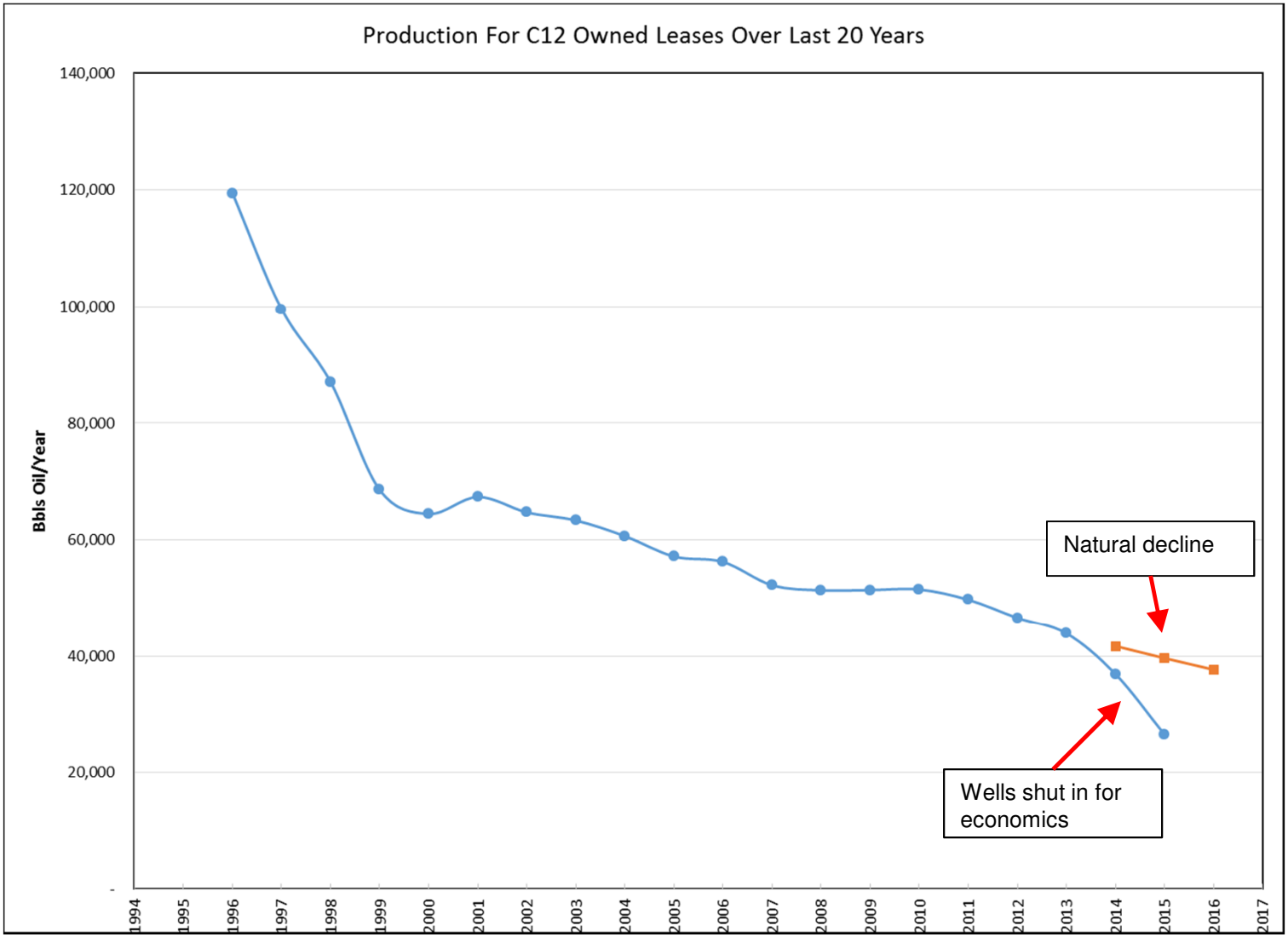
= C12 operated lease



C12 Historical Monthly Gross Average Daily Production (8/8ths)

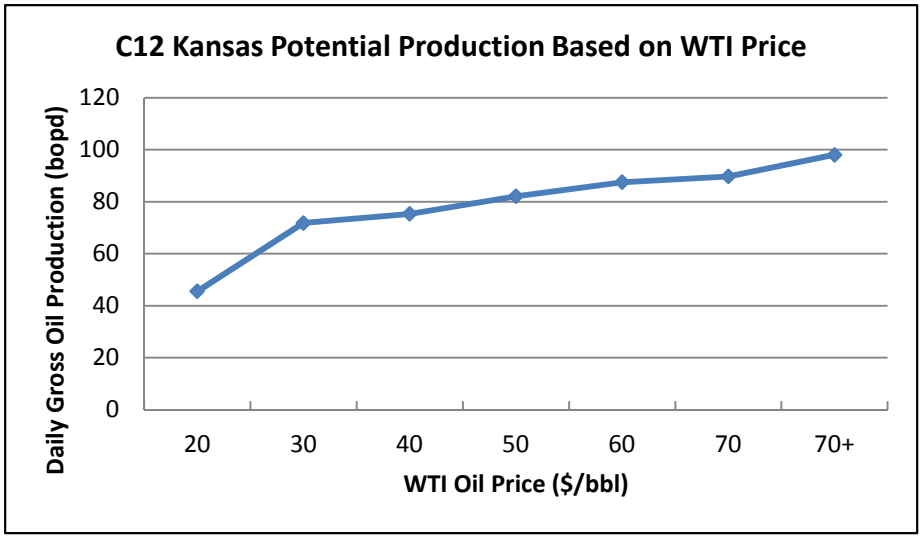


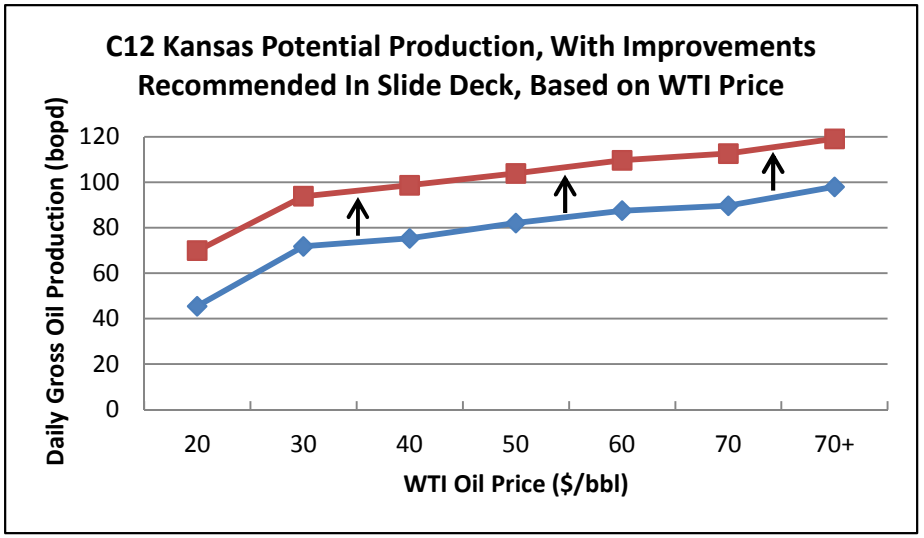
C12 Lease Historical Yearly Production



C12 Oil Production Pro Forma

- C12 Kansas well production is based on LOE and WTI spot price
  - ~48 wells are currently shut-in due to their individual economics at low oil price
  - Improvement in WTI price will allow for more wells to be brought online, increasing production and reducing LOE/bbl costs
- Chart on right shows how production will react to WTI price based on historical C12 LOE
  - Current improvements being made on LOE will shift more production to being economic at lower WTI prices
- Oil is produced to tank batteries on leases and trucked offsite when the tank is full
  - Oil marketer is Coffeyville Resources

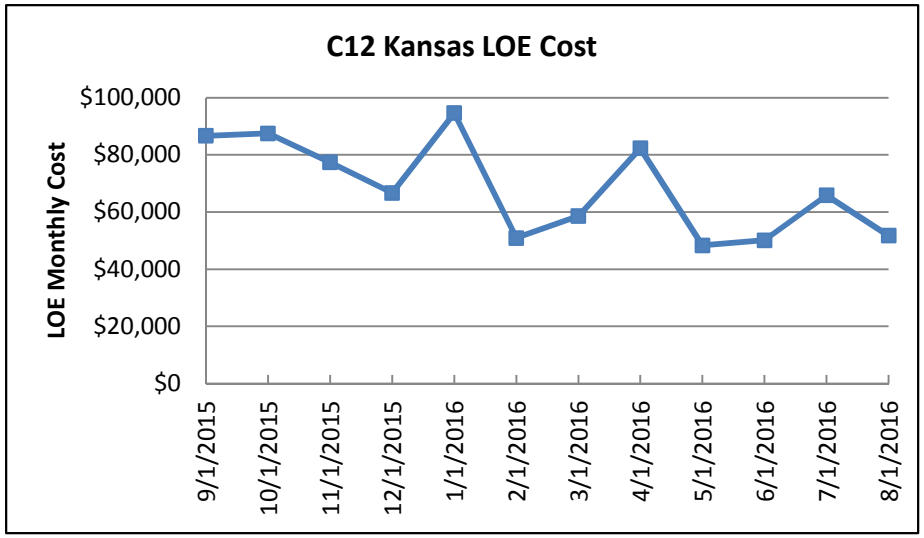


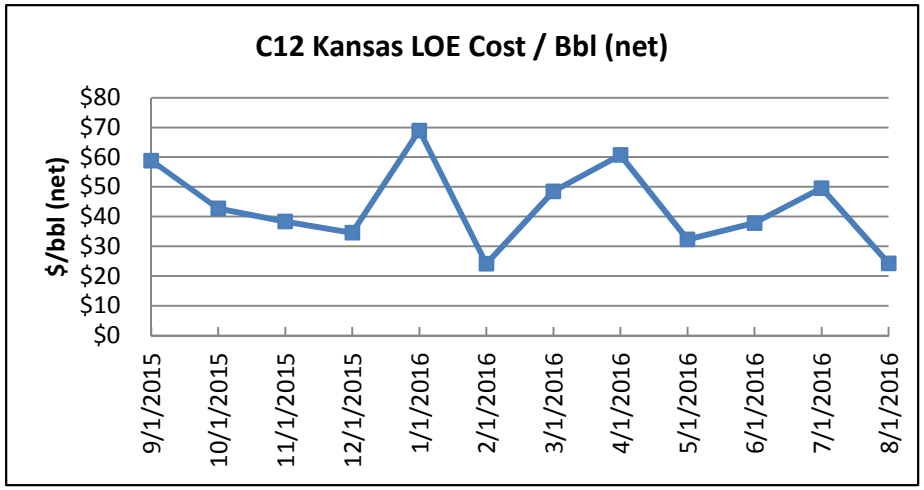


Lease Operating Expense

In 3Q 2015, C12 reduced LOE by:

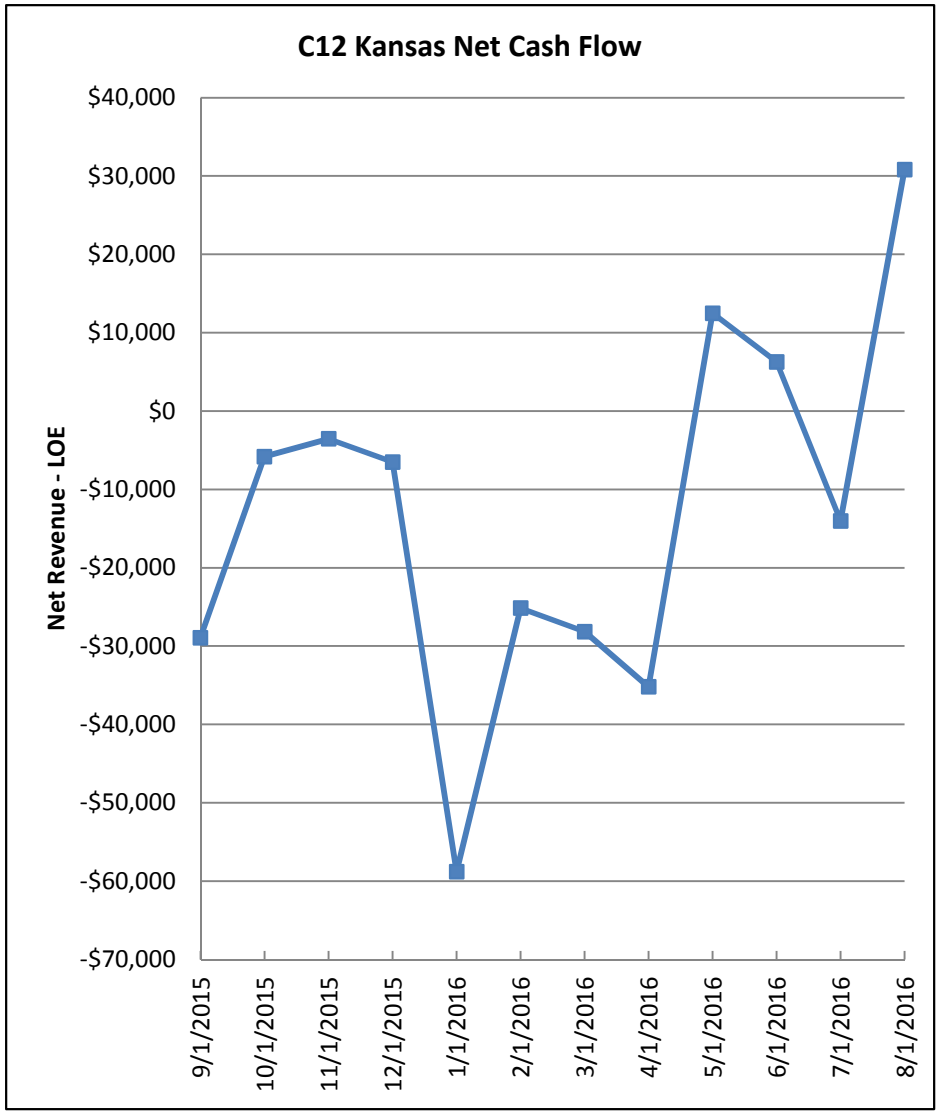
- Reduced staff head count
  - Utilize local part-time help and contract pumping when needed
- Renegotiated contracts >$2000
- Moved to single chemical vendor
- Shut-in uneconomic wells, reducing chemical and utility costs
- Investments
  - Fixing things right the 'first time'; reduce repeat failures
  - ID addl. opportunities to reduce LOE ~ **15%**





C12 Kansas Cash Flow

- In 3Q 2015, focus became maximizing cash flow, not total production
- Ensuring the right well set is online based upon individual well economics
  - Utilities and chemical costs have come down drastically while maintaining production
  - Have continued to optimize individual well operating costs
- Focus on optimizing wells over past year
  - Re-sheaving
  - Upsizing/downsizing pumps
  - TA'ing uneconomic wells
  - Optimizing rod designs to lengthen life of well between workovers
- Projected cash flow will increase with continued LOE reduction projects and development



Cash Flow Improvement Opportunities

- Convert Gurney A2 to injector (~2 bopd)
  - Gurney A & EP leases do not have water injection system
  - Water must be hauled for disposal
  - Application for conversion approved Aug '16
  - Expected cost $15,000
  - Already have pump, pump house, flow lines
  - Expected LOE savings from eliminate water hauling ~ $2000/month
  - Addl. 2 bopd (addl. $2000+/month income)
  - Payback in ~**4 months**
- Re-complete Boxberger A #2 (~4 bopd)
  - Well is offset (660') from ~14 bopd Boxberger J#1
  - Boxberger J#1 has no decline over last 25 years and produces at~ 14 bopd
  - Expected production post re-completion is 4 bopd
  - Payback in ~ **1 year**
- Acidize (+6 bopd)
  - Numerous wells not stimulated in decades
  - A review of wells indicates ~23 wells are acidizing candidates
  - Acid job cost = $1600/well
  - Expected boost in production = 25%/well or 6 bopd total
  - Payback is ~ **5 months**
- Open up additional horizons available in current wellbores (+7 bopd)
  - Many wells have not been completed in all of their available horizons
  - Completing Topeka, Tarkio, and Lower LKC to the Crown Krug #4
    - Estimated benefit of 4.5 bopd and a payback of 5 months
  - Add perfs in the lower LKC in the Empire Krug A #6
    - Estimated benefit of 1.4 bopd and a payback of 1 month
  - Add perfs in upper LKC in the Empire Krug A #8
    - Estimated benefit of 1 bopd and a payback of 1 month

CO2 EOR Development Potential

Hall Gurney Post Rock Unit

Development Plan

- Obtain development approval of Hall Gurney Post Rock Unit owners:
  - Total Unit ~4200 acre; C12 acreage ~ 3320 acres
- Re-pressure reservoir to ~1200 psi (miscibility pressure ~ 1150 psi)
- Build 8 mile 4" CO2 pipeline transporting CO2 from Ethanol Plant in Russell, KS
  - CO2 Supply contracted w/ White Energy, 7.5 mmcf/d
  - Build CO2 capture facility at Ethanol Plant
- Build Central Processing Facility for fluid processing & recycle compression
  - FEED studies and some final engineering completed
- Install new field flowlines; workover wells as needed to implement CO2 EOR flood
- Full Field geomodel in Petrel; simulation models built in sectors, history matched.

Reserves	11 MMSTB (17% RF)
IRR	+30% *at $70/bbl WTI*
NPV	$70 MM *at $70/bbl WTI*
Development Cost	84 MM *(gross)*

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